

**Joint Budget Hearing
LBB & Governor's Office, Budget Division
September 14, 2016
E2.026**

Thank you for this opportunity to present CPRIT's request for funding for the 2018-19 fiscal biennium.

First, let me express our gratitude to your offices and the Texas Legislature for your support during the current biennium.

I believe that we are effectively using the state's resources as Texans and their Legislature intended when they established CPRIT in 2007.

As you may recall, in May CPRIT celebrated the halfway point in its constitutional funding authorization. During that event we highlighted several tangible accomplishments of our academic research, prevention, and product development research grantees.

Some of those accomplishments are illustrated in the *Achievements Report* distributed to you. Since that document was produced in May, we've had two Oversight Committee meetings, one 4 weeks ago and the other just this morning.

Metrics from these meetings will show in a September update available in about a week. Therefore, the metrics before you are understated but do indicate what Texas is getting from its investment in this historical undertaking.

Many salient measures—the social and financial costs of cancer, number of awards and jobs created, economic benefits, cancers found, and programmatic expenditures—are in the *Achievements Report* as well as the Administrator's Statement in the LAR.

Knowing that you can read, I won't repeat them.

However, I will restate that at the halfway point, evidence exists that CPRIT is affecting Texas' national standing in cancer research and the biomedical industry. And it is improving the health of Texans today in all 254 counties.

In fact, CPRIT may well be transformational.

Historically Texas lags nationally in both cancer research and venture capital life science company investment. Texas has 8.4% of the US population and 9.4% of the national gross domestic product.

However, on a five-year rolling average Texas gets only 7.0 % of National Cancer Institute (NCI) research awards and only 4.4% of National Institutes of Health awards.

On average, NCI provides \$204 million per year in cancer research to Texas-based institutions. CPRIT also provides \$204 million per year—thereby doubling cancer research funding in Texas.

Before CPRIT, Texas had one NCI Comprehensive Cancer Center—The University of Texas MD Anderson Cancer Center in Houston. Now there are four.

In the last two years The University of Texas Southwestern Medical Center and Baylor College of Medicine have joined this prestigious group. Also, The University of Texas Health Science Center at San Antonio is now a Designated Cancer Center.

Why are these listings important?

NCI centers anchor the national cancer research effort. There are currently 69 such centers in 35 states and the District of Columbia. These form the backbone of NCI's programs for studying and controlling cancer.

A Designated Cancer Center has been recognized for its scientific leadership, resources, and the quality of its research in basic, clinical and/or population science. Comprehensive Cancer Centers demonstrate an additional depth and breadth of research, as well as substantial transdisciplinary research that bridges these scientific areas.

CPRIT is demonstrably making Texas a national leader in cancer research.

On average, Texas gets \$216 million in life sciences venture capital. CPRIT averages \$51.0 million in translational research to early stage life science companies, thereby increasing such funding in Texas by nearly 25%.

As of today, CPRIT's \$297 million in company awards have resulted in nearly \$1.3 billion in additional follow-on life science venture capital funding.

Without CPRIT, it is likely that this private sector follow-on investment would have gone to the East or West Coasts, the historical loci of the life science industry.

CPRIT is catalyzing the life sciences industry in Texas.

CPRIT funds effective, evidence-based cancer prevention programs. Prevention focuses primarily on increasing the availability of screenings for colorectal, breast, and cervical cancers among medically underserved Texans and improving cancer education and awareness for both the general public and health care providers.

As of today, \$169 million has gone to over 3 million prevention activities in all 254 Texas counties. Nearly 7,000 cancers or cancer precursors have been identified.

Can CPRIT claim to have saved lives? No, but some will say it did. However, CPRIT will claim that it gave them a fighting chance to beat what has been called the “Emperor of All Maladies”.

CPRIT is improving the health of Texans, today.

As historically been the case, we operate with low overhead.

In 2015 our overhead, calculated using the broadest definition of the term, was 6.8%. This was the high water mark largely due to two agency relocations and \$1 million in space renovation at the Travis Building.

Last year it was 5.9% and this year we project it at 5.7%. Pure Indirect Administration runs around 1%.

Now if you’ll turn to our presentation package....